DEPARTMENT OF NATIONAL DEFENCE

CANADA

ASSISTANT DEPUTY MINISTER
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SOCIAL SCIENCE OPERATIONAL RESEARCH TEAM

D STRAT HR RESEARCH NOTE RN 12/04

STRATEGIC HR PLANNING – THEORY & METHODS:
A PRIMER ON STRATEGIC HUMAN RESOURCE PLANNING IN THE CF

by

John J. Donohue, Ph.D.

August 2004

OTTAWA, CANADA

National Défense
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OTTAWA, ONTARIO   AUGUST 2004

ABSTRACT

Since the publication of DS2020 in 1999, and the corresponding human resource components (People in Defence: Beyond 2000 and HR 2020), strategic human resource planning has been an area of great interest to both D Strat HR and ADM(HR-Mil). To wit, the question has been raised, "Is our current strategic planning methodology the best tool for developing our long term strategic plans, or do better methodologies exist that we should be using?"

One obstacle to overcome in addressing this question is the issue of how to compare the many different approaches to strategic planning. Since these approaches do not always share the same objectives, nor address the same issues in the same ways, to date no framework has been advanced to facilitate the comparison of approaches.

In this paper, a brief history of strategic human resource planning is first offered. Next, a general model of strategic human resource planning is presented. This model is then used to explore strategic human resource planning within DND and the CF. Finally, an assessment framework to facilitate the comparison of various strategic human resource planning methodologies is advanced. This assessment framework may be used to guide future work in the area of comparative analysis of strategic human resource planning approaches.

RÉSUMÉ

Depuis la publication de DS2020 en 1999, et les composantes correspondantes des ressources humaines (*Le personnel de la Défense au-delà de l'an 2000* et *RH 2020*), la planification stratégique des ressources humaines a suscité beaucoup d'intérêt à la fois pour le DRH Strat et le SMA (RH-Mil). Par exemple, on a posé la question suivante : « Notre méthode actuelle de planification stratégique représente-t-elle le meilleur outil pour élaborer nos plans stratégiques à long terme, ou existe-t-il de meilleures méthodes que nous devrions utiliser? ».

L'une des difficultés à répondre à cette question est de savoir comment comparer les nombreuses approches différentes de la planification stratégique. Étant donné que ces approches ne comportent pas toutes les mêmes objectifs et qu'elles n'abordent pas les mêmes questions de la même façon, on ne dispose jusqu'à maintenant d'aucun cadre qui faciliterait une comparaison des approches.

Le présent document offre en premier lieu un bref historique de la planification stratégique des ressources humaines, puis il présente un modèle général de planification stratégique des ressources humaines. Ce modèle sert ensuite à examiner la planification stratégique des ressources humaines au MDN et dans les FC. Enfin, le document propose un cadre d'évaluation pour faciliter la comparaison des diverses méthodes de planification stratégique des ressources humaines. On peut utiliser ce cadre d'évaluation pour orienter les travaux à venir d'analyse comparative des méthodes de planification stratégique des ressources humaines.

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1.0 INTRODUCTION

"If you don't know what you are building, no tool will help."

— Nirenberg, 1997

1.1 Overview

1.   In 1999, the Chief of the Defence Staff released Defence Strategy 2020 (DS2020, DND, 1999). "At its core, the strategy is to position the force structure of the CF to provide Canada with modern, task-tailored, and globally deployable combat-capable forces that can respond quickly to crises at home and abroad, in joint or combined operations. The force structure must be viable, achievable and affordable" (DND, 1999: 6). This document formed the basis for planning the way ahead for the Department of National Defence (DND) and the Canadian Forces (CF) into the new millennium.

2.   While a comprehensive document in terms of defining the way ahead for DND and the CF, DS2020 was missing one crucial component: significant Human Resources (HR) input. As an initial response to DS2020, the DND/CF HR community developed *People in Defence – Beyond 2000* (DND, 2001). In 2002, this initial strategy document was expanded and updated as *Military HR Strategy 2020 – Facing the People Challenges of the Future* (DND, 2002). This new document situates strategic HR within DND and the CF in the context of "plausible HR scenarios that elaborate upon the future HR context and are consistent with the considerations underlying the development of Defence Strategy 2020" (DND, 2002: 1).

3.   During the development of HR 2020, increased attention was focused on the ever-increasing complexity and sophistication of both the military HR system and HR systems in general. In addition, there was recognition of the wide range of strategic planning methodologies that have been refined in recent decades. These range from mathematical algorithmic modeling approaches, through inventive problem solving methodologies, to trend-analytic scenario-based planning methodologies.

4.   Since the publication of HR 2020 (DND, 2002), great interest has developed within both the Directorate of Strategic Human Resources (D Strat HR) and ADM (HR–Mil) as a whole as to how strategic HR planning can best be conducted. Essentially, the question was posed, "Is our current strategic planning methodology the best tool for developing our long term strategic plans,

or do better methodologies exist that we should be using?" In this paper, we attempt to provide a framework to facilitate answering that question.

1.2 Structure and Purpose of Paper

5.   The concept of 'strategic planning' is sufficiently broad as to preclude a single definitive description that adequately encompasses its true breadth and scope. For this reason, this paper has been designed to meet two objectives: first, to provide insight into the broader world of strategic planning, nominally corporate strategic planning; and second, to provide interpretation and meaning of those broader insights in the context of the DND and the CF, specifically in the area of strategic HR planning.

6.   Towards these ends, this paper first offers a brief history of the development of strategic planning. Benefits of undertaking strategic planning, and obstacles to undertaking strategic planning, are illuminated. A general model of strategic planning, drawn from the broader fields of business planning and Industrial / Organizational psychology, is presented. Differences in meaning between terms commonly used both within and outside of DND and the CF are highlighted. The generic strategic planning model is contextualized to describe the strategic planning framework that has guided Strategic HR Planning within DND and the CF to date. Finally, a framework for facilitating comparisons between strategic planning methodologies is advanced.

2.0 A BRIEF HISTORY OF STRATEGIC PLANNING

7.   The concept of strategic planning has evolved over the course of the last 5 decades, essentially beginning in the mid-1960s (Mintzberg, 1994). A very brief description of this evolution is provided here; readers interested in more detail are directed to Kay, McKiernan and Faulkner (2003).

8.   In the 1960's, strategy was essentially corporate planning. It was rationally based as a linear extension of previous experience: the past repeating itself, only bigger and better, in easily identifiable and predictable ways. In terms of strategic planning, there was little or no requirement for insight into plausible alternative futures.

9. This trend continued into the 70's, with strategy emphasizing diversification and portfolio planning. Throughout the 1980's, the focus shifted from these highly analytical methods to more people-centered approaches, again with little regard for potentially devastating challenges and changes in the near- or long-term future.

10. The turning point seems to have come sometime in the 1980's, with the recognition that it was not good enough to choose or formulate a strategy, but that the actual process of strategy development was in and of itself vitally important. Quinn, Mintzberg and James (1988: 88) explain:

> "One cannot decide reliably what should be done in a system as complicated as a contemporary organization without a genuine understanding of how that organization really works. In engineering, no student ever questions the need to learn physics. In medicine, having to learn anatomy. Imagine an engineering student's hand shooting up in a physics class. Listen, prof, it's fine to tell us how the atom *does* work. But what we want to know is how the atom *should* work"

11. From the mid-1980s through the present, the rationalistic approach to strategic planning has dominated. Essentially, HR practitioners scan the environment, assess strengths and weaknesses vis-à-vis this environment, formulate strategy, and then move to implement the strategy. This is currently the dominant, if no longer fashionable, approach to strategic planning (Kay, McKiernan & Faulkner, 2003).

12. It should be noted that "a common view today is that the formulation of strategy is easy, but the real issues and problems are those of implementation, and that the conventionally prescriptive approach to strategy ignores the degree to which strategy in real business is emergent rather than directed" (Kay, McKiernan & Faulkner, 2003: 22). This reflects the view that strategy, in order to be responsive to constantly changing internal and external environmental factors, cannot be so inflexible that it does not allow for some accommodation. Our strategic planning processes need to be flexible in order to take best advantage of changing conditions, be they information sources, cultural or societal fluctuations, or operational demands.

13. Further to this point, Mintzberg (1994) also discusses the balance of emergent vice well-determined strategy. In earlier times, strategy was pre-ordained, and planners could refer to immutable strategic direction in subordinate plans. This inflexible planning environment was not

at all responsive to changing environmental factors. Currently, given the complexity of planning situations and the large number of contingencies that need to be accounted for, the link between subordinate plans and strategic direction may not be intuitively obvious. Strategy may even be refined following the development of subordinate plans. This lack of rigidity can be both good and bad. Being more responsive (and thus more effective) may feed the (undesirable) belief that strategy is neither important nor well-disciplined.

3.0 BENEFITS OF STRATEGIC PLANNING

14.   Before we decide *how* to go about undertaking a strategic planning process, we should examine *why* we should do strategic planning. MacKenzie (2000) provides a list of reasons why strategic planning is important. First and foremost, strategic planning provides a method for considering and dealing with the future. It is difficult to imagine an organization that cannot benefit from examining their way of doing business in the context of future development. For example, strategic planning can also help in identifying areas of opportunity and uncertainty, help to position the organization to better take advantage of future developments, and provide a means for the organization to better understand itself and what is required for it to achieve success.

15.   Other reasons for undertaking strategic planning include providing more effective means to allocate resources (both financial and personnel), improving management discipline, encouraging positive action rather than reaction, and providing a common direction to guide future decisions.

4.0 OBSTACLES AND PITFALLS IN STRATEGIC PLANNING

16.   After examining the benefits of strategic planning, it seems prudent to explore some of the potential obstacles and pitfalls that should be avoided when undertaking a strategic planning process. The following caveats have been summarized from several different sources, notably Mintzberg (1994), Godet (2001), and Kaufman, Oakley-Browne, Watkins and Leigh (2003). Interestingly, several important issues have remained consistent throughout the last decade.

17.   The first, and most important, obstacle is commitment to the process from the right people. Mintzberg (1994: 160) states that the popular assumption is that, "with the support and

participation of the top management, all will be well." But, as Mintzberg asks, all will be well *for whom*? The easy answer is for the planners; the tough question is *what about the organization*? This point speaks to a key factor associated with successful strategic planning: having support and participation from the right people at the right time(s). It is important to note that the 'right people' are not always those holding the highest positions within the organization. These people may not be in the best position to implement and see the planning process through to fruition. Nothing is more common, or more frustrating, than carefully constructed plans that are not well implemented.

18.   Another pitfall to avoid is planning at only one level of the organization, and/or planning at the wrong levels of the organization. Kaufman et al. (2003) refer to the problem of planning in isolation from internal and external partners, and the failure to provide resources for implementation of the resultant strategic plans.

19.   Another issue that recurs in the literature is spending time developing values statements before (or instead of) developing a results-oriented measurable ideal vision, as well as selecting a solution before defining the problem clearly and setting the desired state.

20.   Other recurring themes include failing to update relevant information before basing decisions on it; assuming that all strategic planning processes are the same, or that they are nothing more than common sense/intuition and therefore require no special resources or time investment; and ignoring some steps in the methodology to save time or money without carefully considering the impacts on the results of the process.

21.   This last point merits amplification. Strategic planning methodologies, like other methodologies, are carefully developed in such a way as to deliver defined objectives. Changing the order of the steps in a process, adding or eliminating steps, or combining steps, may produce less-than-desired or simply meaningless results. Unfortunately, given the long-term nature of the planning being conducted, it is not always possible to differentiate between well- and poorly-laid plans until the implementation is complete. In some cases, this may be 10-15 years down the road; far too late to change the plans or mitigate the impacts of a flawed planning process.

22.   The final two common obstacles or pitfalls are related. The first is to simply use the plans from previous years, and fail to challenge present assumptions, paradigms, and cultural norms: "Just do it the way we did last year." Planners don't challenge the planning process itself, and simply stay within their comfort zone. The final pitfall is to simply conduct ritualistic annual strategic planning, but to fail to think and act strategically throughout the year. This, to an extent, negates the utility of undertaking the strategic planning process at all; nothing but experience is gained if the results are not utilized.

23.   Godet (2001) identifies four main sources of error when undertaking strategic planning processes. These are 1) shortsightedness in the face of inertia, 2) prophecies and politics, 3) censorship, and 4) quality of information. Each of these is explored in brief below; see Godet (2001) for more detail.

24.   The inertia of large (and small) organizations in the face of needed change is legendary, and yet planners still generally fail to face reality. Despite decades of research, planners consistently overestimate their ability to change behavior while vastly underestimating organizational inertia. One key factor is the desire for social contact; technological change has been massive in the last two decades, but the actual implementation and use of the technology has not been nearly as rapid as anticipated.

25.   For example, videoconferencing has long been touted as the end of expensive cross-country travel. While it has made inroads, this technology has by no means reduced the demand for face-to-face meetings, because people want to see and hear live people in the same room, not over a fiber-optic connection. Too much information (body language, etc.) is lost when traditional discussion fora are abandoned. Another good example is the "paperless office" heralded through the eighties and nineties. The rapid proliferation of e-mail and word processing during this era not only did not create the paperless office promised; rather, it promoted the production of even more paper-based products than before. Again, the human element (the desire to touch and feel) was underestimated. Just because it *could* be done didn't mean that it *would* be done.

26.   With respect to prophecies and politics, Godet refers to the fact that "ironically, a good prediction is not one that comes true, but one that leads to action" (2001: 24). By this, Godet

implies that getting the strategic plan exactly right is less important than getting some form of result from the strategic planning process. The nay-sayers are never going to buy the whole plan, but getting them involved and engaged will produce more positive results than a perfect plan that is not implemented.
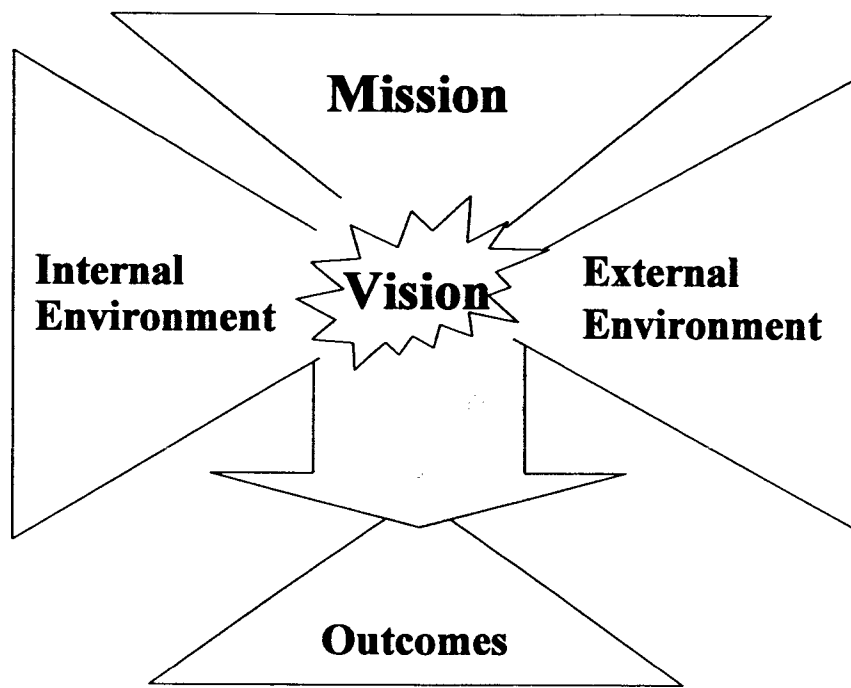
27.   The last two points can be condensed into one discussion. By censorship, Godet is urging planners to be circumspect in their use of information. Not all information is strategic in nature, nor is it useful in strategic planning. Planners are urged to question both the sources of information and the underlying reasons accompanying its provision. As well, it is important to maintain a sense of proportion and perspective; single readings of important trends are risky by nature. For example, the initial reactions to a single event as with the 9/11 attacks can have far-reaching, and not always positive, impacts on society.

28.   Finally, Godet cautions that care must be taken when enlisting experts. Informants (sources of information) may be credible and still be unreliable, because "witnesses give false information with the same assurance as they give accurate information, and always with good faith" (2001: 29). This is not meant to malign either the integrity or the intentions of these experts. Rather, Godet is commenting on the nature of interactions between subject matter experts (SMEs) and HR planners.

5.0 GENERAL MODEL OF STRATEGIC HUMAN RESOURCE PLANNING

29.   A general model of strategic planning is presented in Figure 1. This model has been adapted from MacKenzie (2000). Keep in mind that the focus or purpose of the strategic planning process will further refine the definitions of these terms, especially the internal and external environments and the outcomes. For the purposes of this paper, we are interested in strategic human resource planning issues.

30.   The model is comprised of five central components: the vision, the mission, the internal and external environments, and the outcomes of the process. A brief description of these components is provided here; more detailed explanations are available in MacKenzie (2000). The DND and CF context for these components is presented later in this paper.

Figure 1. General Model of Strategic HR Planning (adapted from MacKenzie, 2000).

31.   Vision - The vision (or *ideal* vision) in the strategic planning process is the desired future state; what it is the organization should look like and be able to achieve in the future (Gilley & Gilley, 2003). The vision "depicts the 'perfect' future for the [organization]. This exercise looks at the best-case scenario rather than practical realities" (2003: 179). Mintzberg describes the vision as "setting the broad outlines of a strategy, while leaving the specific details to be worked out. In other words, the broad perspective may be deliberate, but the specific positions can emerge" (Mintzberg, 1994: 208).

32.   Essentially, the vision provides a context for the sub-ordinate mission and subservient outcomes. Kaufman et al. go further, stating that the "vision expresses in measurable terms that which we wish to accomplish and commit to design and create" (2003: 49). This vision, or context, guides the realignment of the subordinate components given changes in the internal and external environments, allowing for stability and consistency over time. This is in line with the views of Mintzberg (among others) that strategy must be emergent as much as pre-determined; rigid plans are not flexible enough to weather the long-term issues sure to arise.

33.   Mission - The mission for the strategic planning process "clearly specifies what can be accomplished measurably as an organization moves systematically towards the ideal [the vision]" (Gilley & Gilley, 2003: 180). A well-defined mission gives purpose and direction to the actions of members of the organization.

34.   According to Kaufman et al., the mission is the general purpose of the organization (2003: 348). "A mission statement is only measurable on a nominal or ordinal scale of measurement and only states 'where we are headed' and leaves off rigorous criteria for determining how one measures successful accomplishment" (2003: 348).

35.   The mission "can be viewed as similar to goal setting in psychological research. These are the goals or standards used in identifying problems (e.g., gap analysis, which identifies problems as discrepancies between existing and desired states) and in setting priorities for their solution" (Taylor, 1992: 983). The mission has also been defined as "the 'basic public goals' of an organization. For example, the mission of General Motors is the production of cars, while that of the Roman Catholic Church is to tend to the spiritual needs of its members" (Faulkner & Campbell, 2003: 78).

36.   Internal Environment - The internal environment for the strategic planning process consists of the internal structures, functions and processes that impact, directly or indirectly, on the focus of the strategic planning that is being undertaken. It is important to note that the focus, or purpose, of the strategic planning process may cause the boundary between internal and external environments to shift. For example, strategic planning processes focused on civilians in operations would have a markedly different boundary between internal and external environments than a process focused on in-garrison living conditions for CF enlisted members.

37.   Mintzberg (1994) outlines some benefits of examining the internal environment. Primarily, the validation of computer simulations (or models) can be enhanced, and key variables identified and refined, through formalized examination of the internal environment. As well, theories and models of how the organization is structured and operates can be developed, and mental models of how things actually work (as opposed to how they seem to work, or should work) can be constructed and verified. Finally, exploration of the organizational culture can be undertaken.

38.   External Environment - The external environment for the strategic planning process is the outside context within which the organization exists. This context may be competitors, customers, or governing bodies. This context may be within the same country or on a more global scale. There may also be regulatory bodies that limit or mandate various activities.

39.   There are many good reasons for examining the external environment when undertaking a strategic planning process. Mintzberg (1994) outlines five main benefits of, and reasons for, examining the external environment. *Benchmarking* is the comparison of one's practice(s) against the practice(s) of external organizations on the basis of relevant criteria. *Sensitization* refers to challenging internal assumptions by examining how others tackle similar problems differently. *Legitimization* deals with confirming the feasibility and/or the desirability of various courses of action by comparison with others' decisions and programs. *Inspiration* refers to fuelling new ideas by gathering information on what others have done or are doing in relevant areas. Any or all of these can provide useful input both to the planning process, as well as to the more tactical aspects of the organization's operations and decision-making processes.

40.   Of course, an examination of the external environment in support of a strategic planning process will have specific foci that guide and bound that examination. Schwarz (1991) identifies the major factors that should be included in an external environmental scan: societal factors, technology issues, economic issues, environmental issues, and political issues. Obviously, the specific focus of the planning process will dictate which of these (or other) factors are more or less important.

41.   Outcomes - The outcomes of the strategic planning process may be the actual strategic plans; the fruits of the planning efforts, be it the answer to a planning question or the blueprint to guide successful transformation from the current state to some desired future state. These may take the form of strategic objectives (in the case of the HR 2020 project undertaken by D Strat HR in 2001) or the optimal distribution of resources (in the case of more mathematically based planning schema).

42.   Another, perhaps unintended, outcome of participation in a strategic planning process is enhanced understanding of the process as well as the components of strategic plans. Participants

in strategic planning processes learn to adopt bigger-picture views of planning than they may have held before.

43.   Strategic planning methodologies lend themselves to produce outcomes of a specific type: a vision, a mission, or a budget. Thus, the onus is on the planners to select the planning methodology that will produce the best results for their situation. Some processes can be used to produce more than one type of outcome; in other cases, the output of one process can provide the input to other processes.

44.   In the ideal case, the strategic planning process becomes an ongoing cyclical process. Revisions to the vision, mission, internal and external environmental scans continuously inform the strategic plans. At the same time, the outcomes of the strategic planning sessions feed refinements back into the vision and mission. Another important outcome of participating in strategic planning processes is the shift in participant mindsets. Participants in strategic planning processes recognize the importance of valid and reliable internal and external environmental scans. In addition, they gain insights into the interplay between the various components of the system being examined.

6.0 OTHER VIEWS OF STRATEGIC PLANNING

45.   Gilley & Gilley (2003), in their handbook on strategically integrated HR development, take a slightly different view of the strategic planning process. Their process consists of 5 phases, inter-linked and inter-related. These five phases are: scoping, analyzing, visualizing, planning, and implementing and evaluating. These five phases are not dissimilar to those outlined earlier. *Scoping* means to identify "the important issues facing an organization" (2003: 173), in which the strategists identify the nature of conditions challenging the firm (essentially gap analysis).

46.   *Analyzing* the internal and external environments is similar to SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. The analysis of the internal environment reveals strengths and weaknesses, while the external analysis reveals opportunities and threats. *Visualizing* refers to developing a vision for organization. The vision "allows employees to focus on a common set of goals and outcomes that give their daily activities serious meaning and

determine an organization's success or failure" (2003: 179). Similar to the outside-world definition, vision here "describes what an organization would like to accomplish ideally" (2003: 180), while "a mission statement clearly specifies what can be accomplished measurably as an organization moves systematically toward the ideal" (2003: 180). The vision also helps organizations identify values and guiding principles.
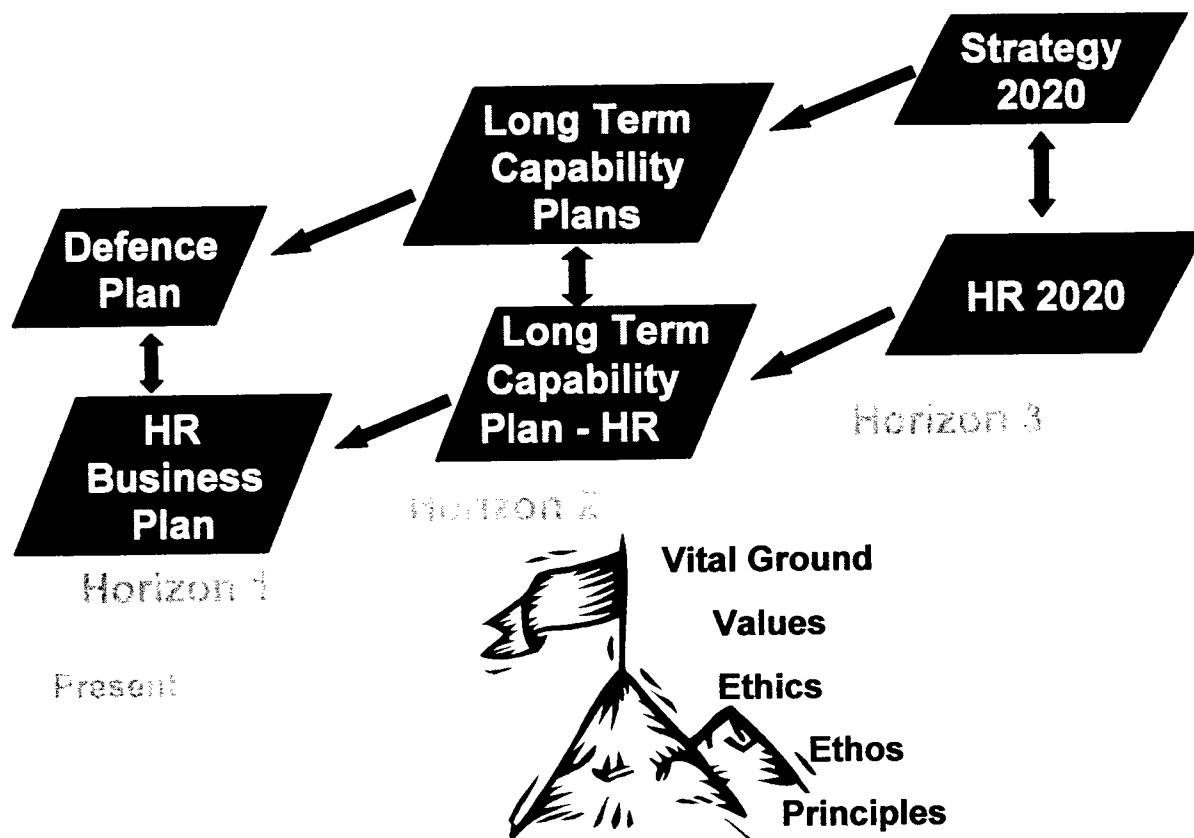
47.   The *Planning* phase "provides a framework by which an organization identifies where it wants to go" (Gilley & Gilley, 2003: 182). At this stage, the organization develops strategic goals and objectives, which "differ from mission statements in that mission statements suggest from where the organization is coming, whereas goals and objectives indicate where the organization is going and how it is going to get there" (2003: 183). In this case, goals are large, generalized statements that indicate an organization's future direction, while objectives are subsets of goals, that can be measured in time and space, delegated to someone for implementation and assigned a deadline for completion. Essentially, objectives are the means to achieve goals.

48.   *Implementing and Evaluating* are key components of the Gilley and Gilley (2003) model. In their view, creating a feedback system enhances implementation of the plan by providing information about the success or failure of the plan. Formative evaluation provides feedback during program implementation, and facilitates choosing possible modifications, the basis for constructively modifying the plan and enhancing the implementation. Summative evaluation (assessing the overall outcomes of the plan) facilitates the decision to continue, revise or terminate the program, project or initiative. These two forms of evaluation have very different purposes, and typically utilize very different methodologies to achieve their ends.

7.0 STRATEGIC HUMAN RESOURCE PLANNING WITHIN DND AND THE CF

49.   Before discussing the guiding framework for strategic planning within DND and the CF, it is important to note that the term *strategic* can also take on different meanings, dependent upon the context within which the user is working. One person's strategy may be another person's tactic. For the purposes of illustration in this paper, we will use a representation of ADM(HR-Mil) strategic planning horizons developed by D Strat HR. The type of strategic planning undertaken within D Strat HR typically encompasses all three planning horizons presented in

Figure 2: Horizon 1 (H1; present to approximately 4 years into the future), Horizon 2 (H2; approximately 5 to 15 years into the future), and Horizon 3 (H3; approximately 10 to 30 into the future).

Figure 2. Representation of Strategic HR Planning Horizons (adapted from HR 2020).

50.   A good example of the horizon-spanning activity within D Strat HR and ADM(HR - Mil) is the HR 2020 project. The visionary strategic objectives that resulted from the HR 2020 process are representative of H3 planning. They guide decision-making and direct lower-level planning, yet may never actually be achieved (it is sufficient that we *move towards* achieving them). A set of HR change objectives[1] were developed to be consistent with the H3 strategic objectives, and yet are still fairly conceptual, providing somewhat more detail than the H3 strategic objectives. The H1 business plan provides funding for the projects, initiatives and thrusts that move us towards the H2 change objectives, which are aligned with the H3 strategic objectives. D Strat

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[1] Currently, the HR change objectives are being reconstituted into the HR Campaign Plan. The HR Campaign Plan, when complete, will provide the linkage between the H1 business planning and the H2 change objectives.

HR provides input and guidance to all three of these levels of planning for the HR component of DND and the CF.

51.   Another important difference lies in the definitions of terms used within and external to DND and the CF. First and foremost, the definition of *mission* varies greatly between external organizations and internally within DND and the CF. In external organizations, the *mission* is the *raison d'être* of the organization; it determines how the vision (an ideal end-state that the organization is moving towards but may never actually achieve) will be achieved. Within DND and the CF, the *mission* is the federally mandated expectation of what DND and the CF must accomplish or enable (similar to external organizations' definition for vision, but not something that we strive to attain; rather, that which MUST occur). The vision is the means of realizing the mission; the way(s) that the mission will be operationalized or accomplished.
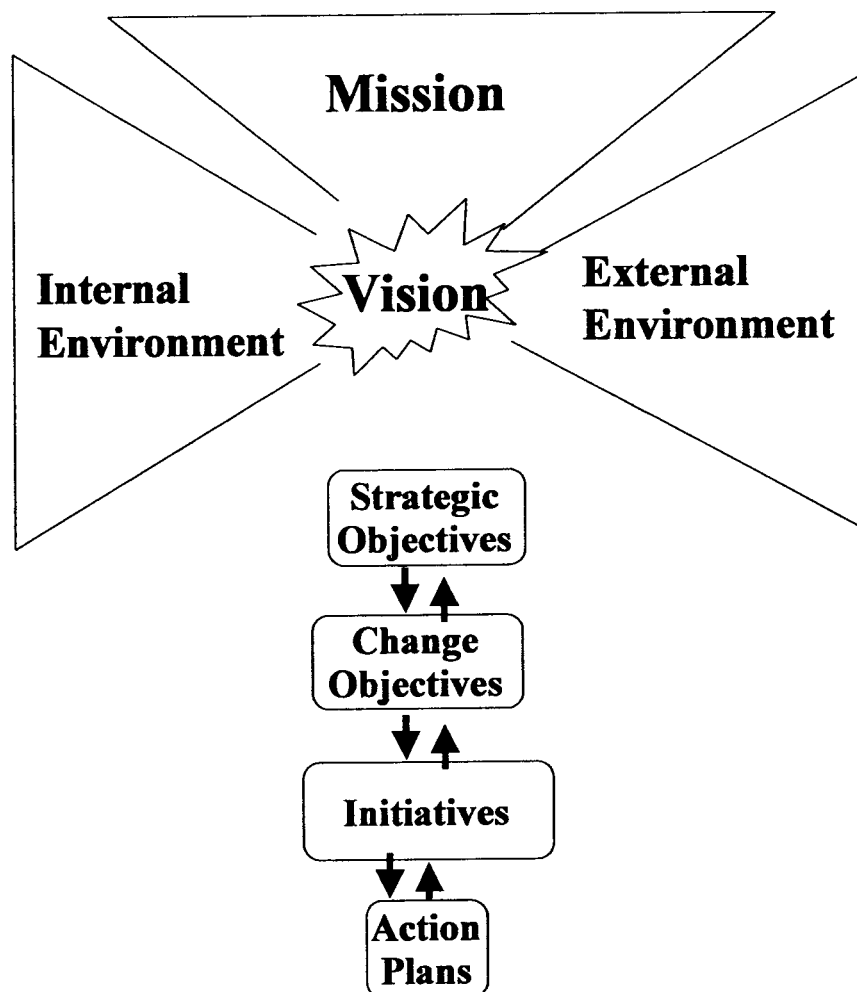
52.   These differences in definitions are clearly tied to the planning horizon issues raised earlier. The interdependence of various policy pieces is well explained in the Strategic Operating Concept (SOC Version 4.0, CDS, 2004). As explained in this document, Defence Policy (mission) is an H1 mandate, which has limited impact on vision (H3). That being said, Defence Policy is government-mandated, so vision-level (H3) policy needs to be both responsive to and supportive of this H1 policy, as well as providing guidance for other H1 and H2 policy. Because H1 Defence Policy is subject to change at the behest of the government, this inter-relationship is very complex.

53.   At the same time, HR vision policy must also be supportive of, and responsive to, super-ordinate Defence vision policy. As outlined in the SOC, the HR vision is intended to be a companion to the Defence Vision. Thus, it cannot be developed in isolation. This means that the HR vision, albeit rigorously developed and validated, may need to be adapted to conform to broader but later-developed policy (i.e., Defence Vision).

7.1 Guiding Model

54.   The general model for current Directorate of Strategic Human Resources (D Strat HR) strategic planning is presented in Figure 3. This framework is not meant to be static; it is a work-in-progress that is adapted in response to changes in both the external and internal environments within which D Strat HR operates, as well as continually changing planning requirements. In this

section, the components of the framework and their interactions are discussed. The major components of the guiding framework are the *mission, vision, internal and external environments,* and the *outcomes of the process* (strategic objectives, change objectives, initiatives and action plans). Each component is addressed in detail in the following paragraphs. In order to provide needed context for the descriptions of the components, the HR 2020 strategic planning process will be used as a reference.

```
                    Mission

Internal        Vision        External
Environment                   Environment

                 Strategic
                 Objectives
                    ↓↑
                  Change
                 Objectives
                    ↓↑
                 Initiatives
                    ↓↑
                  Action
                  Plans
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Figure 3. Strategic HR Planning Model (adapted from MacKenzie, 2000).

55. Mission - the Government of Canada, through the Minister of National Defence, determines the mission for DND and the CF. The mission is typically provided in the form of a White Paper (the term commonly applied to official documents presented by Ministers of the Crown that state the government's policy on a certain issue). The White Paper may be

periodically updated, as opposed to being completely reworked, through production of a Defence Update or Review.

56.   The mission of the Department of National Defence and the Canadian Forces (derived from the 1994 White Paper on National Defence; 12 JUL 2004 from http://www.forces.gc.ca/admpol/eng/doc/white_e.htm) is "to defend Canada, and Canadian interests and values, while contributing to international peace and security" (Department of National Defence website 06 JUL 2004).

57.   DND and the CF defend Canada by "protecting Canadian territory, airspace and maritime areas of jurisdiction; helping civil authorities protect and sustain national interests, helping civil authorities in national emergencies; and helping civil authorities maintain an adequate, reasonably uniform level of emergency preparedness across the country." DND and the CF contribute to the defence of North America by "protecting the Canadian approaches to the continent in partnership with the armed forces of the United States, promoting Arctic security, and pursuing opportunities for Canada-U.S. defence co-operation in other areas." Finally, DND and the CF contribute to international security by "participating in multinational operations through international organizations such as the UN and NATO, and through coalitions of like-minded countries, supporting humanitarian-relief efforts and helping to restore conflict-devastated areas, and participating in confidence-building measures such as arms-control programs" (DND website 06 JUL 2004).

58.   Vision - The vision for DND and the CF (as explained earlier) can be viewed as the means by which DND and the CF will achieve the mission as determined by the Government of Canada. For example, it is at this level that the division of financial resources, personnel and equipment is determined, as well as the structure and function of the three environments (Sea, Air and Land) that comprise the Canadian Forces. This vision must facilitate the delivery of the mission.

59.   Internal and External Environments – The definitions of the internal and external environments depend on the level and scope of planning being undertaken. In general, the internal environment for D Strat HR and most ADM(HR-Mil) strategic planning can be taken as the Canadian Forces and the Department of National Defence. The external environment can be

seen as, among others, the rest of the Government of Canada and Canadian society. For the purposes of the HR 2020 project, the internal environment was taken to be the CF, and to some extent DND. Everything else was the external environment.

60.   <u>Outcomes of the Process</u> – The outcomes of the strategic planning process, using the HR 2020 process as a template, are the Strategic Objectives, Change Objectives, and the Initiatives and Action Plans.

    a) <u>Strategic HR Objectives</u> – These are the visionary, long-term (H3) statements that guide the development of HR policy and strategic HR activities within ADM(HR-Mil). The HR 2020 process produced 12 strategic objectives, which include leadership, culture, communication, and well-being (DND 2002).

    b) <u>Change Objectives</u> – The change objectives represent the H2 guideposts and enablers of the H3 strategic objectives described earlier. From the HR strategic working group, 5 change objectives emerged. These 5 change objectives guide the HR Campaign Plan[2].

    c) <u>Initiatives and Action Plans</u> – The Initiatives and Action Plans are the H1 projects that are undertaken to move the organization to achieve the Change Objectives. They exist in the present, or will in the very near future, and are typically incorporated into the Business Planning cycle. They may well exist longer than the H1 timeframe, but they are short-term focused.

61.   As we will see, not every strategic planning process takes into consideration all of these aspects, nor should they; however, careful consideration should be given to the potential long-term impacts of ignoring any of these aspects before disregarding them.

8.0 ASSESSMENT OF STRATEGIC HR PLANNING METHODOLOGIES

62.   As has been demonstrated throughout this paper, the field of strategic HR planning is complex, and growing more complex. As well, the methodologies used in strategic HR planning

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[2] The HR Campaign Plan, as noted earlier, serves as the basis for the HR Operating Concept, which will comprise the HR component of the Strategic Operating Concept (Chief of Defence Staff, 2004). The HR Campaign Plan and HR Operating Concept are currently under development.

are constantly being refined. A system for assessing the relative utility of various strategic planning methodologies would be useful.

63.   When assessing the utility of a specific strategic planning methodology, there are many aspects to consider. There does not seem to be an extant comparison tool in use, at least not that could be uncovered during this review. For this reason, the author has undertaken the development of a series of generic, though not necessarily orthogonal, dimensions of form that may help to describe and differentiate the various methodologies.

64.   Another point to consider is that strategic planning methodologies are not necessarily designed, nor best-utilized, in isolation. In some cases, the output of one method logically becomes the input to another method. In other cases, more than one tool may be used at the same time or consecutively in order to triangulate (provide convergent evidence from multiple sources) the results, either providing support for, or refuting, the outcomes of each method.

65.   There are four major components of strategic planning that form the basis for the assessment of the tools. These include the planning situation, desired outcome(s) of the process, the time available for the process (both calendar time and personnel time), and other resources (other than time) required for the planning process. Details of each component are provided below.

66.   <u>Planning Situation</u> – The planning situation refers to the environment within which the strategic planning methodology is most useful. Some processes are focused on H1 planning; others are focused on H3 planning; still others can span all three horizons.

67.   <u>Desired Outcome(s)</u> – The desired outcome(s) of the strategic planning process refers to the end-product(s) that is desired when the process is completed. In some cases, such as HR 2020, everything from H3 strategic objectives all the way to H1 projects and initiatives that lead to the attainment of these Strategic objectives was desired. In other cases, the end product desired may be H3-, H2- or H1- focused, and budgetary, visionary, mission-level, or some combination of these.

68.   Time Available – Although time can be considered a resource like many others, given the current pace of change it seems to be more complex than other resources. The time available factor is two-pronged. First, there is the matter of *how much* time is available before the outcomes are required: i.e., project deadlines. Some processes cannot be completed in less than several weeks, while others can be completed in hours or days, if necessary. The second factor is *how much of whose time* (as a resource, meaning actual person-hours of work) is required within the timeframe of the deadline, and *when* is it required. It is important to note that the integrity of the methodology may be compromised if the right people do not give importance to the process at the right levels. Some methodologies have high and low periods of activity for different personnel, meaning that the time requirements of the senior staff may be intense for brief periods, and then nil for extended periods while others complete their parts of the process.

69.   Resources Required / Available – The resources, both required and available, determine to a large extent both the method(s) used for the strategic planning process and the probability of success of the selected method(s).

a) Personnel – The personnel requirement of the methodology attempts to capture the need for various levels of both decision-makers and subject matter experts (SMEs). Some methodologies require high levels of support and high levels of decision-makers; others may require only facilitation of decision-making with little or no support.

b) Financial – The financial resources required attempts to capture the capital expenditure requirements of the methodology: software, specialized equipment, etc. While training costs will be estimated where possible, this is by no means meant to be a budgeting tool; rather a means of providing information about special needs of methodologies.

c) Other – The other category attempts to capture information on other resources that may be required, other than the personnel and financial resources. This may include special training needs, or contingency issues (e.g., timing of components). Specific requirements of methodologies that may necessitate or mitigate the use of other methodologies will also be included here.

70.   In summary, the important and distinguishing attributes of strategic HR planning approaches have been examined in this section. These attributes seem to align themselves into four major components that may serve to facilitate the comparative assessment of different strategic HR planning methodologies. The four components are: the planning situation; the desired outcome of the planning process; the time available; and the resources required.

9.0 CONCLUSIONS

71.   This paper has met the objectives presented in Section 1.2: to provide insight into the broader world of strategic planning, and to provide interpretation and meaning of those broader insights in the context of the DND and the CF, specifically in the area of HR planning. First, a brief review of the history of strategic planning and contemporary viewpoints was outlined. Next, some benefits of undertaking strategic planning processes were discussed, and obstacles and pitfalls of planning were identified. A generic strategic planning model was presented, and then the current DND / CF strategic HR planning model was detailed.

72.   All this provides background for an assessment of strategic planning methodologies. The dimensions of form described in Section 8 of this paper provide a comparative frame against which various strategic planning methodologies can be presented. The purpose of the comparative frame is to provide guidance in the selection of certain strategic planning methodologies vice other methodologies in order to identify the optimal planning resource for the given planning situation. This tool can also help answer the question posed at the beginning of this document: "Is our current strategic planning methodology the best tool for developing our long term strategic plans, or do better methodologies exist that we should be using?"

73.   One major issue that transcends the scope of this paper but requires serious thought is that of the *right people* being involved in the strategic planning process. A secondary issue, on the same topic, is *when* in the process those people need to be involved. The definition of who the right people are, and when the right time is, is at least partially dependent on the strategic planning methodology selected. As much as possible, this will be addressed in the personnel- and time-requirements sections of the specific planning methodologies.

74.   A second issue that arises is that of the compatibility of different strategic planning methodologies. For example, can scenario-based planning methods be used effectively (and validly) with more mathematically based methods? If so, how can they best be utilized together?

75.   The final issue is that of incorporating strategic planning processes into ongoing planning systems. A sub-issue is that of thinking strategically on an ongoing basis, rather than only when undertaking strategic planning processes formally. This is obviously a training and learning issue, but it is important, and also beyond the scope of this paper.

76.   In summary, this paper details the general strategic planning model that guides strategic HR planning within D Strat HR and DND. The context within which this planning model exists has been outlined, and linkages to external and academic models have been explicated. Finally, a framework for guiding the selection of strategic planning methodologies has been offered. Future research may benefit from the use of the framework developed here in examining strategic planning methodologies.

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DOCUMENT CONTROL DATA
(Security classification of title, body of abstract and indexing annotation must be entered when the overall document is classified)

1. ORIGINATOR (the name and address of the organization preparing the document. Organizations for whom the document was prepared e.g. Establishment Sponsoring a contractor's report, or tasking agency, are entered in Section 8). D Strat HR, ADM(HR-Mil), NATIONAL DEFENCE HQ, OTTAWA, CANADA, K1A 0K2	2. SECURITY CLASSIFICATION (overall security classification of the document, including special warning terms if applicable) **Unclassified**

3. TITLE (the complete document title as indicated on the title page. Its classification should be indicated by the appropriate abbreviation (S, C or U) in parentheses after the title)

Strategic HR Planning – Theory & Methods: A Primer on Strategic Human Resource Planning in the CF

4. AUTHORS (last name, first name, middle initial)
Donohue, John J.

5. DATE OF PUBLICATION (month Year of Publication of document) September 2004	6a. NO OF PAGES (total containing information. Include Annexes, Appendices, etc.) 22	6b. NO OF REFS (total cited in document) 15

7. DESCRIPTIVE NOTES (the category of document, e.g. technical report, technical note or memorandum. If appropriate, enter the type of report e.g. interim, progress, summary, annual or final. Give the inclusive dates when a specific reporting period is covered.)

Research Note

8. SPONSORING ACTIVITY (the name of the department project office or laboratory sponsoring the research and development. Include the address).

Director Strategic Human Resources

9a. PROJECT OR GRANT NO. (if appropriate, the applicable research and development project or grant number under which the document was written. Please specify whether project or grant.) NIL	9b. CONTRACT NO. (if appropriate, the applicable number under which the document was written.) NIL
10a. ORIGINATOR's document number (the official document number by which the document is identified by the originating activity. This number must be unique to this document.) D STRAT HR RN 12/04	10b. OTHER DOCUMENT NOS. (Any other numbers which may be assigned this document either by the originator or by the sponsor.)

11. DOCUMENT AVAILABILITY (any limitations on further dissemination of the document, other than those imposed by security classification.)
- (X) Unlimited distribution
- ( ) Distribution limited to defence departments and defence contractors: further distribution only as approved
- ( ) Distribution limited to defence departments and Canadian defence contractors; further distribution only as approved
- ( ) Distribution limited to government departments and agencies; further distribution only as approved
- ( ) Distribution limited to defence departments; further distribution only as approved
- ( ) Other (please specify): Defence department of TTCP Nations

12. DOCUMENT ANNOUNCEMENT (any limitation to the bibliographic announcement of this document. This will normally correspond to the Document Availability (11). However, where further distribution (beyond the audience specified in 11) is possible, a wider announcement audience may be selected.)

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Since the publication of DS2020 in 1999, and the corresponding human resource components (People in Defence: Beyond 2000 and HR 2020), strategic human resource planning has been an area of great interest to both D Strat HR and ADM(HR-Mil). To wit, the question been raised, "Is our current strategic planning methodology the best tool for developing our long term strategic plans, or do better methodologies exist that we should be using?"

One obstacle to overcome in addressing this question is the issue of how to compare the many different approaches to strategic planning. Since these approaches do not always share the same objectives, nor address the same issues in the same ways, to date no framework has been advanced to facilitate the comparison of approaches.

In this paper, a brief history of strategic human resource planning is first offered. Next, a general model of strategic human resource planning is presented. This model is then used to explore strategic human resource planning within DND and the CF. Finally, an assessment framework to facilitate the comparison of various strategic human resource planning methodologies is advanced. This assessment framework may be used to guide future work in the area of comparative analysis of strategic human resource planning approaches.

14. KEYWORDS, DESCRIPTORS or IDENTIFIERS (technically meaningful terms or short phrases that characterize a document and could be helpful in cataloguing the document. They should be selected so that no security classification is required. Identifiers, such as equipment model designation, trade name, military project code name, geographic location may also be included. If possible keywords should be selected from a published thesaurus, e.g. Thesaurus of Engineering and Scientific Terms (TEST) and that thesaurus-identified . If it is not possible to select indexing terms which are Unclassified, the classification of each should be indicated as with the title.)

Strategic Planning, Human Resources, Methodology, Framework

Canada